

**Minutes of the
Tobacco Education and Research Oversight Committee (TEROC)**

Meeting on April 12, 2004

California Department of Health Services
Training Rooms B and C (First Floor)
1500 Capitol Avenue
Sacramento, CA 95814

MEMBERS PRESENT :

Bruce Allen, Lourdes Baezconde-Garbanati, Theresa Boschert, Gregory Franklin, Kirk Kleinschmidt, Rod Lew, Deborah Sanchez, and Traci Verardo

MEMBERS ABSENT :

Ron Arias, Stella Aguinaga Bialous, Alan Henderson, Susanne Hildebrand-Zanki, and Dorothy Rice

OTHERS IN ATTENDANCE:

Christopher Anderson, California Smokers' Helpline, University of California (UC), San Diego
Dileep G. Bal, Chief, Cancer Control Branch, Department of Health Services (DHS)
Roxanna Bautista, Asian and Pacific Islander Tobacco Education Network (APITEN)
Julie Bradley-Hart, The Center for Tobacco Policy and Organizing
Francisco Buchting, Tobacco Related Disease Research Program (TRDRP), UC
David Cowling, Data Analysis and Evaluation Unit (DAEU), Tobacco Control Section (TCS), DHS
Bill Enciso, Medi-Cal Policy, DHS
Larry Gruder, TRDRP, UC
Gil Haas, Board of Equalization (BOE)
Rich Heintz, Local Lead Agencies Project Directors Association
Kathony Jerauld, DAEU, TCS, DHS
Paul Knepprath, American Lung Association of California (ALA)
Roberta Lawson, Local Programs Unit (LPU), TCS, DHS
Jon Lloyd, Chief, DAEU, TCS, DHS
Natasha McLearn-Botev, DAEU, TCS, DHS
Dennis Maciel, BOE
Nora Manzanilla, City of Los Angeles – Tobacco Enforcement Unit
Carolyn Martin, Consultant, Bar and Restaurant Employees Against Tobacco Hazards, ALA
Jamie Morgan, American Heart Association (AHA)
Sharen Muraoka, American Cancer Society (ACS)
Greg Oliva, Chief, Program Planning and Policy Development, TCS, DHS
Cathy Palmer, Chief, Administrative and Contract Support Unit, TCS, DHS
Diane Pedens, Medi-Cal Policy, DHS
Cecilia Portugal, Hispanic/Latino Tobacco Education Network
April Roeseler, Chief, LPU, DAEU, TCS, DHS
Meredith Rolfe, Chief, Safe and Healthy Kids Program Office, California Department of Education (CDE)
Raul Salazar, American Indian Tobacco Education Network
Jessica Schumacher, DAEU, TCS, DHS
Marilyn Schuyler, Medi-Cal Managed Care Division, DHS

Robin Shimizu, Assistant Chief, TCS, DHS
Colleen Stevens, Chief, Media Campaign Unit, TCS, DHS
Rhonda West-Peters, African American Tobacco Education Network
Amy Wong, APITEN

1. WELCOME, INTRODUCTIONS, AND OPENING COMMENTS

The Chairperson, Kirk Kleinschmidt, called the meeting to order at 10:00 a.m. and welcomed a new member to TERO, Ms. Traci Verardo, appointed by the Superintendent for Public Instruction to represent CDE on the Committee. Each of the Committee members introduced themselves. Members of the audience also introduced themselves and identified their affiliations.

2. APPROVAL OF MINUTES, REVIEW OF CORRESPONDENCE, AND ANNOUNCEMENTS

The minutes for the January 20, 2004, TERO meeting were approved with two changes or clarifications:

- (1) page 10, third paragraph, second sentence should read "TRDRP announced that because of staff workload and funding reductions they are considering not hosting the Annual Investigators Meeting (AIM) for 2004,"
- (2) page 10, item number 9 should read "Ms. Traci Verardo announced that a lawsuit was pending at the state Supreme Court against the pharmaceutical companies of nicotine replacement products and retail establishments that distribute the products, regarding Proposition (Prop) 65 warnings. An individual has sued, claiming that Nicotine Replacement Therapy (NRT) products should have a Prop 65 warning attached to them. The Attorney General (AG) is supporting the plaintiff. Ms. Verardo expressed concern about the deterrent effect that posting Prop 65 warnings may have on smokers who may wrongly assume, from the warning that the nicotine in NRT is more harmful than continuing to smoke. She has contacted the voluntary organizations to determine if they have filed amicus briefs in support of the pharmaceutical companies."

The Chairperson reviewed the incoming and outgoing correspondence in the packets and pointed out the letter sent to Ms. Kimberly Belshé, Secretary, California Health and Human Services Agency. He said he had met with Ms. Belshé recently along with some other tobacco control advocates and during the meeting he stressed the need for a well-funded comprehensive tobacco control program and the need for a strong media campaign.

3. ENVIRONMENTAL DEVELOPMENTS

The Chairperson, Committee members, and others announced that:

- The Director of the Centers for Disease Control and Prevention (CDC) is proposing a reorganization that would include disbanding the Office of Smoking or Health (OSH) and combining the functions of OSH within other health entities. CDC held a news conference at noon on April 12, 2004, to announce the proposed reorganization. Many groups are sending letters in support of keeping OSH as a separate program. By consensus, the Committee decided to send a strongly worded letter to CDC, with copies to Senators Feinstein and Boxer and Representative Waxman, urging the government to maintain and strengthen OSH as a

centralized national focus rather than eliminating it or diluting it within other health programs. It was agreed to include in the letter support for keeping the national networks within OSH.

- Some groups have expressed concern over the Governor erecting a smoking tent off his office in the middle of the Capitol, first that this appears illegal, and secondly that it sends out a message condoning tobacco use to the citizens of the state. An investigation is being conducted concerning the legality of these actions. The Chairperson recommended the Committee not take action on this matter until it learns more concerning the legality issue.
- In May 2004 the Federal Trade Commission will release new figures for the tobacco industry (TI) expenditures for promotion of tobacco products. Last year the figure was \$11.2 billion nationally spent by TI on advertising and other marketing. The Committee will do its best to publicize the new figures for California when they come out. The Chairperson said TI is alive and strong despite what some people believe. He passed out samples of various TI advertising pieces, inserts in regional and neighborhood magazines and newspapers, gift certificates, and offers of free cartons of cigarettes through the mail. He said much of this violates the law and he will forward the material to the AG's Office.

4. BOARD OF EQUALIZATION (BOE)

Mr. Dennis Maciel, Chief, BOE Excise Tax and Fees Division, and Mr. Gil Haas, Chief, BOE Investigations Division, presented on the implementation of the new state tobacco retail licensing law. They said that as of June 30, 2004, all entities within the tobacco product distribution and sales chain are required to have licenses to sell these products and to maintain them in accordance with applicable laws. BOE has mailed out over 200,000 applications for licenses to retailers and wholesalers and have received approximately 10,000 completed applications. They anticipate issuing approximately 85,000 licenses. There will be new record keeping requirements for licensees and all records, including invoices, must be kept for one year. Compliance with the Stop Tobacco Access to Kids Enforcement (STAKE) Act and other related laws would be tied in to the licenses.

They stated that Assembly Bill (AB) 71 was passed in part to curb tax evasion estimated at \$280 million annually (\$238 million in excise taxes and \$42 million in sales taxes). Inspections of local retail outlets have shown that approximately 25 to 27 percent of tobacco retailers have products with counterfeit stamps or that are counterfeit. These are primarily cigarettes and most of these come from Asia. BOE has seized over 30 million counterfeit cigarettes since the year 2000. Counterfeit cigarettes result in loss of revenue to the state and money to programs, and create unfair competition. BOE staff will be conducting approximately 10,000 retail inspections annually compared to the current level of 1,500 inspections. They said 40 new positions would be added to carry out the enforcement activities.

A. Regarding the revenues from AB 71

The first year revenue estimate of \$22 million, to be deposited into the new fund for administration of AB 71, was made prior to the enactment of the licensing law and was from three sources:

- (1) One-time manufacturers/importers fee of one penny per pack of cigarettes shipped into California in 2001, estimated at \$12.6 million (actually have collected \$13.6 million).
- (2) One-time fee imposed on retailers of \$100 per location, estimated at \$8.5 million. Fees are due prior to June 30, 2004.
- (3) An annual fee of \$1,000 from distributors and wholesalers, estimated at \$1 million. Fees are due prior to June 30, 2004.

Additionally, money from fines and penalties will be deposited into the fund, but the amount remains unknown. Also, they report that the original Department of Finance (DOF) projections of a \$10 million increase to Prop 99 due to reductions in the illegal sale of smuggled or counterfeit products as a result of AB 71 for fiscal year (FY) 2003-04 may be realized.

B. Regarding costs to administer AB 71

Expenditures are estimated at:

FY 2003-04 up to \$5.6 million

FY 2004-05 up to \$8.5 million

FY 2005-06 up to \$8.0 million

FY 2006-07 up to \$8.2 million

Even with the ongoing annual fee collected from distributors and manufacturers and money from fines and penalties, it is possible that all the money in the new fund will be expended in FY 2006-07. The Bureau of State Audits is to conduct an audit of the program in July 2006.

C. Regarding increased compliance

Tax revenues from other tobacco products increased 23 percent in January 2004 compared to January 2003.

(1) Tax revenues from other tobacco products increased ten percent in February 2004 compared to February 2003.

(2) Sales of cigarette stamps have increased approximately four percent for the first three and one-half months in 2004 compared to the same period in 2003.

(3) The revenue gain in excise taxes is estimated at \$58-\$87 million annually and this is to be deposited into the four funds (General Fund, Breast Cancer Fund, Prop 99, and Prop 10, on their pro-rata basis).

D. Regarding penalties for selling counterfeit tobacco products or products with counterfeit stamps

Criminally, it is a misdemeanor with a \$1000 fine and/or one year in jail and subject to revocation of the license, and an additional civil penalty of \$5,000-\$20,000 fine depending on the volume of counterfeit products. The license can be revoked or suspended on the first offense, and a fine can be imposed after the second offense.

During the discussion that followed, some concern was expressed over the possibility that there might be insufficient revenue to cover the enforcement costs after FY 2006-07. There was a suggestion that if the retail licensing fee were paid annually there would be enough money for enforcement. BOE speakers said that they would coordinate closely with DHS, and that BOE has no problem with local licensing but would like to be informed if the locals issue a penalty because it might also count against the state license.

The Chairperson said the representatives from BOE should come back to the Committee in a year for an update on the licensing issue.

5. LEGISLATIVE UPDATE

Ms. Jamie Morgan from AHA provided an update and handout concerning the status of the relevant tobacco-related legislative bills (see enclosed) and answered questions from the members and audience. She stressed the importance of the following bills: Senate Bill (SB) 676, SB 1173, AB 2443, and several AB 71 clean-up bills (including AB 2491). She said there is support for eliminating the public health provisions in AB 71 (the 13 percent illegal sales trigger and the one-year penalty accumulation provisions), and she said she would be interested in

feedback on this from the Committee. She also said the underage sales to minors language is so convoluted that it should be strengthened or stripped from the bill, but if it is strengthened, there is no money for enforcement. In response to questions, Ms. Morgan said that none of the bills would direct any of the revenue from licensing to tobacco control, that AB 2443 would allow for fines collected locally for enforcing STAKE Act could stay at the local level, and that there does not appear to be enforcement monies in any of the other bills. The Committee agreed to take no action on any of the bills at this time.

6. BUDGET UPDATE

The Chairperson asked the three agencies to describe changes resulting from the revenue reductions.

- A. CDE said the \$1.5 million reduction in current year would be taken from funds designated for high school grants and none from the entitlement program. The same strategy is planned for the next budget year. They said the reason for this is that they cannot reduce funds from the state operations and they do not want to reduce money from the county operations since these are the State's "hands" in the field. They said that they still have the Safe and Healthy Schools program, and that it is better to reduce the grants than to reduce the Resource Center or Healthy Kids Survey.

CDE added that their Department, like DHS, is continuing to pursue the multi-year spending authority issue and is in discussions with DOF regarding language for this authority and could use help from TERO.

- B. TRDRP said the \$2.2 million cut in current year would be applied to the current grant cycle. To lessen the impact of the \$7.2 million (34 percent) cut in the next budget year, they will withhold approximately \$2.5 million (12 percent) from current-year money for the next annual grant cycle so the cuts in the next year will not be so steep and provide a "soft landing option." This will keep the amount for grants for both years at about \$17 million. The funding rate for this year may be about the same as last year because there were 24 percent fewer applications submitted in March for the current cycle, so it may not appear to be as bad programmatically as it is dollar-wise. Last year there were a number of excellent applications that they were not able to fund because of lack of money.

TRDRP said they introduced a new feature this year for the larger multi-year grants. They have identified primary research areas and are going to fund these first before looking at the other areas that are called complementary. One reason the number of applications were low this year may be that those working in the complementary areas might consider their chances to be slim. During the course of this year, TRDRP will be looking at additional changes required in the program because there will eventually be much less money available. AIM will not be held in the year 2004. However, they do plan to sponsor AIM in 2005, and this will allow more time for planning.

- C. TCS said they have experienced a \$3.2 million reduction in current year funding. They are expecting an \$8 million reduction in the budget year, which is partly a result of the one-time-only augmentation from the Prop 10 backfill the previous year. The current year funding reduction is being implemented by shifting the source of some of the money for the two largest contracts, the Tobacco Education Clearinghouse and the Helpline, from this year's funding to next year's funding. The amount of money in these contracts remains the same; just the source of some of the funds for them was shifted to the new year. There was also a

\$2 million reduction in the media campaign and the ad inventory helps to mitigate the effects of this reduction.

As for procurements, TCS said it always plans in three-year increments, and almost all of the FY 2004-05 funds have been spoken for. The new priority populations procurement was funded out of the FY 2004-05 and FY 2005-06 funds, and TCS was able to award \$6 million to the seven agencies for this procurement instead of the previously announced \$5 million. TCS has money set aside from the FY 2004-05 and FY 2005-06 funds for the policy and legal technical assistance and training contracts. What remains is about \$14 million to fund the contracts that will terminate at the end of June 2005. This procurement will come out in January 2005, will obligate FY 2005-06 and FY 2006-07 funds, and perhaps FY 2007-08 funds, and will result in a major reduction in the competitive grant program. Approximately 25 competitive grants could be funded from this procurement.

TCS said that Mr. Michael Tucker is no longer working for DOF and that DOF continues to support multi-year spending authority but only by annual budget act. DHS is trying to craft language for multi-year spending authority that allows encumbrance of unspent funds. DOF wants the funds encumbered in the year of appropriation (which TCS says they are doing) and there are three years to spend. DOF does not want funds to be disencumbered and reencumbered after the year of appropriation. TCS said they have been using various strategies to try to minimize the impact of reductions. TCS said they have made a point to fund all of the priority population applicant groups although scores among them varied greatly. They suggested that in the future all priority population applicants would need to submit high quality applications because, if more reductions come, it will be impossible to avoid unpleasant choices.

The Chairperson stated that, almost two years ago, TEROc created the document *Funding Criteria 2002* (see copy enclosed) to provide recommended guiding principles to follow for implementing funding reductions. He asked the Committee if they had any changes or comments for the list so TEROc can have an official document to give the agencies as recommended guidelines for the difficult funding cut decisions. The following are some of the comments from the Committee members:

- Even though the Master Plan (MP) focuses heavily on disparities, when agencies are addressing disparities, they must balance that with overall needs.
- Sometimes it is necessary or better to terminate poorly performing contractors than to reduce all contracts across the board.
- When a grantee is not performing, the agency should find out why they are not performing and try to address that.
- Community norm change still must be kept as the most important guiding principle.
- CDE should focus more on environmental/policy changes than on personal individual change.
- There should be no program expansion when funding is declining.

7. SECONDHAND SMOKE (SHS) IN INDIAN CASINOS

The TEROc task force is preparing a report for the Committee and asked that this agenda item be carried over to the September meeting. The Chairperson agreed.

8. CESSATION POLICY

The Chairperson introduced the discussion on cessation policy by reminding the members that one of the objectives of the MP is focused on the expansion of cessation services and that the Committee has had three presentations on this topic. He said at this time the Committee may wish to explore ideas for setting cessation policy. He asked in what ways can this Committee work towards or make recommendations for improving the quantity and availability of cessation services at a time of declining resources.

A member suggested that the Committee use the five cessation policy objectives presented by Ms. Traci Verardo at the last TEROC meeting as a framework for the discussion (January 20, 2004 meeting minutes, page seven, section seven). Members stated: that it is difficult to discuss expanding or improving cessation services when funds are declining substantially; that TEROC members discussed this issue at great length when they were writing the MP and had agreed that the primary guiding principle or direction for the program should be community norm change; and that TEROC may be giving mixed messages stressing norm change and calling for expanded cessation services.

In the discussion of the cessation services/policy issue that followed, the public health model vs. the clinical model, community norm change vs. individual change, were aired. Questions were asked: 1) How much cessation services are needed and what kinds? 2) How much Prop 99 money for cessation is the right amount? 3) Is the current Prop 99 money spent for cessation being used in the most effective way? A member made the point that, once smokers are motivated to quit through policy and other components of the program, they need available and acceptable cessation services that are part of a comprehensive program. Others said that people have to look for new sources of money for cessation services as Prop 99 funds decline, that the constituencies should proceed with methods to increase the tax on tobacco products with some of the money designated for tobacco control and cessation, that some of the proposed legislation designates revenue to cessation, and that there is a need for a variety of strategies, methods, or models to assist those who need help to quit.

The Committee discussed what direction it should go to study the cessation issue; there may be gaps in their knowledge. Should they get in more experts, set up a workgroup, compile recommendations, schedule a special meeting or two on this subject? There seemed to be a consensus that more presentations were not desired but that there was need for informed discussion. The Chairperson added that after the next meeting the Committee will be half-way through the MP time period and the Committee may want to have a special one-day meeting to evaluate progress on meeting the MP goals, including the cessation policy issue. There was a consensus to have a special meeting the second week in July, perhaps without staff. The location would be left open for now and possible specific dates will be circulated by email. The Chairperson said he would postpone further discussion on the cessation topic and a final decision on specifics for a special meeting will be made at the June 1, 2004, regular meeting. CDE said they know what works for cessation for kids and would like to participate in a discussion on the topic.

9. PROGRESS TOWARD IMPLEMENTING MASTER PLAN OBJECTIVE NUMBER THREE

The Chairperson said that, at the previous meeting, TCS presented on their implementation of the MP Objective Three, namely, how they have addressed disparities, and that, at this meeting, CDE and TRDRP would present on this topic. One member complemented TCS on their new Priority

Populations Request for Application (RFA) and their creativity in finding additional resources for this effort.

- A. CDE provided two handouts (see enclosed) and explained that the local education agencies (LEA) are required to identify and address disparities in all aspects of education. They said that there is a dedicated office in CDE that deals with disparities, and that it is technically impossible to provide multiple language-specific material in the classroom. They said the LEAs have access to research and ethnic-effective materials through the Healthy Kids Resource Center. Districts can make attempts to eliminate disparities by directing appropriate material suited to the make up of the classroom. They explained that CDE recommends appropriate curriculum and each district decides what it is going to use in their plan. CDE pointed out some ethnic specific data from their surveys regarding several variables, such as tobacco-use prevalence, perceived harmfulness of tobacco, and exposure to environmental tobacco smoke.

Some of the Committee members commented that it appears responsibility for addressing disparity is entrusted to the school districts, and they asked about accountability at the local level for addressing disparities. CDE said the new priorities would place accountability on the schools. CDE added that some school districts deal with these issues through ethnic clubs and that some ethnic clubs have become active in anti-tobacco advocacy. Some county coordinators suggest activities to the clubs.

- B. TRDRP briefly described California as a microcosm of the world in its mixture of ethnic pluralities, some of which are recent arrivals while others have been in the state for many years and generations. They said tobacco-related disparities result from complex interactions of multiple factors, such as socio-economic status, cultural characteristics, acculturation, stress, biological elements, racism and discrimination, access to care and quality of care, targeted advertising, and varying capacities of communities to mount effective tobacco control initiatives. TRDRP listed the priority populations with regard to tobacco-related disparities: racial/ethnic minority groups; low social economic status; lesbian, gay, bisexual, and transgender; women; disabled community; rural communities; urban communities; school-aged youth; and young adults.

TRDRP said that addressing disparities issues has been a top priority (see enclosed handout). They highlighted some of their funded research grants that related to specific priority population issues in the areas of disease epidemiology, biomedical sciences, neuroscience and nicotine addiction, social epidemiology, social/behavioral research, public health/public policy, and economic science. TRDRP explained their processes for setting research priorities and calls for applications and emphasized that they seek input from all possible groups. They said there has been a focus on disparities and priority groups in other TRDRP program activities, such as participatory research (Community-Academic Research Award and School-Academic Research Award grants and training) and supplemental grants that are open to community groups and students. They pointed out that the Sixth Annual Investigators Meeting was focused on priority groups, and that they have co-funded a number of meetings and conferences on disparities. Areas of continued development for TRDRP are research translation, building infrastructure of researchers and community partners, and participatory research. They said increasingly tight budget constraints make it difficult to fund all the areas desired, but participatory research remains a priority.

A Committee member asked if TRDRP has funded any research that looked at effectiveness of tobacco control efforts, particularly the systemic issues. They replied that they have looked

at some general tobacco control efforts and that there was one health policy study dealing with people having tobacco related diseases, and the level and equity of their care.

10. PROGRAM REPORTS BY AGENCIES

(Each agency sends a written report to TEROC prior to the meeting and responds to questions at the meeting.)

A. DHS/TCS Report

DHS asked if there were any questions regarding its written report to TEROC. Committee members asked TCS several questions.

- Can you provide us with additional information on the results of the California Partnerships for Priority Populations RFA? TCS passed out a listing of the seven agencies to be funded and the priority population groups for each grant. They said that they are funding each area, that they received applications for \$8 million and the amount being awarded is \$6 million (\$1 million more than previously planned), and that it is too early to discuss specifics on the kinds of objectives to be funded as the contracts were under negotiation.
- Have changes been made to the evaluation program because of funding reductions? There is no reduction in the evaluation funds at this time, but they are expecting reductions and are looking at alternative ways to absorb cuts.
- When will the reports from the epidemiological studies come out? There is a staffing crunch, but it is hoped that the reports on the six Special Population Surveys would be available in six to eight months depending on the approval process outside of TCS.
- What is the status of the outdoor tobacco smoke study? The work on measuring the level of exposure to SHS in outdoor environments is completed. The contractor is experienced in outdoor tobacco smoke studies and has the equipment to do this. The approach was to measure pollutant levels in real time (not the health effects). There were 14 field experiments, plus two controlled studies, in a variety of settings including patios of restaurants and bars, airport, and home patios. They found that the concentrations of carbon monoxide and particulates in outdoor patios can be as high as indoor smoking for short periods of time. The rate of exposure declines in half when the distance is doubled. This study gives high-level scientific data on the outdoor setting. The report still needs to be completed and approved. As for the utility of the study, TCS said it is considered a pilot study, it gives hard data on transient concentrations of chemicals and one can use surrogate measures to follow for long-term health effects. The Air Resources Board conducted a study with similar methods (though not in real time) and had complementary results. Their results are available on the California Environmental Protection Agency website.
- Are there media ads in the process for approval? A package of ads was submitted last week for approval. It will be the first test of a new procedure with a new administration. TCS added that they will begin producing ads as soon as approval comes, and the highest ranking ads from the focus groups will be produced first, as many as the money will allow. The plan is to go to production in a month. The Chairperson asked that the Committee be kept informed of progress in getting ads approved. He also said the Tobacco Free California website is very good and he recommended it to others.

- Will TCS be losing the positions for the people retiring in the next couple months, including the position of Chief of DAEU? TCS has already lost seven positions, and two positions of those retiring are in the freeze but are not scheduled for elimination. DHS says the money is there, but to fill the positions it is necessary to get exemptions from the hiring freeze. There is great risk of losing vacant positions. TCS added that they have 15 contracts that have been frozen since last year and that they are seeking a freeze exemption for these contracts and for future contracts, but the request is moving slowly. The Chairperson said the Committee should send a letter to the appropriate parties recommending approval of the freeze exemptions.
- What is the status of the lawsuits? R.J. Reynolds will make their oral arguments on May 10, 2004, in the Court of Appeals in San Francisco in their case against the state. The issue is whether “government speak” trumps First Amendment rights. The state has strong support via amicus briefs from ACS, ALA, AHA, and other states. In the other lawsuit of the media subcontractors, the state has to appear in court in Los Angeles on May 17, 2004. The subcontractors, who were not paid by the prime contractor Asher and Partners, make the case that the state is concerned about minority subcontractors and, no matter what happens, the state should honor and pay the minority subcontractors, even though the money for them had already been paid to the prime contractor. There are \$4.4 million dollars at stake.

B. CDE, SHKPO Report

CDE provided a review of the status of the grades 4-8 entitlement program, the grades 6-8 innovative grants award process, and the grades 9-12 competitive grants program. They are recommending the funding of 31 of the innovative grant applications.

CDE said recommendations for changes in the Tobacco Use and Prevention and Education (TUPE) program are still in the process of review within the Department. Before the changes to TUPE can go to the CDE Legislative Office for the necessary legislation, they have to be approved by the Department. The process and the levels of review were discussed. The Chairperson said the item in the recommendations to remove the grade 4-8 entitlement is very important to the Committee; he said competitive grants provide much more accountability than entitlement. The Chairperson then said the Committee members are more than willing to do what they can to provide assistance to get things through the approval process at CDE. CDE said they expect approval in approximately two weeks; however, staff have been told that changes to TUPE are not a legislative priority for the Department for this year. After discussion, it was agreed that the Chairperson, or his representative, and the representative of CDE on the Committee will meet with the staff of the CDE Legislative Office prior to the June 1 TERO meeting to communicate the desired urgency in getting the relevant legislation moving.

In response to a question, CDE clarified that the outcome of the above change would be one grant program for grades 6-10 which would include the money from the current grant programs plus the entitlement money, and this would total approximately \$20 million. In response to another question regarding how CDE monitors grants, CDE said their in-house program consultants and fiscal analysts monitor the grants by reviewing quarterly reports and annual data reports. In addition, most of the county coordinators are knowledgeable about what is going on with grants in their area and provide feedback to the CDE consultants. A Committee member commended the coordination between CDE and TCS regarding several areas.

C. UC, TRDRP Report

TRDRP said they had nothing more to report in addition to their earlier report on budget cuts, except that they wanted to mention that SHS and outdoor tobacco smoke are included in their priority research areas.

There was a question concerning the status of hiring of a new director of the program, a position vacant since Labor Day 2002. TRDRP said they are now looking at three final candidates who have gone through the entire process. They said that, after finding most of the early candidates to be unqualified, they hired an executive search consultant who aggressively, proactively searched for qualified candidates, and who interviewed many prospective persons. They said some stumbling blocks or obstacles to hiring have been: the unusual set of skills desired (experience in research, management, and working with committees); the perceived high cost of living in the Bay Area being a concern for out-of-state candidates; the reduction in funds for tobacco research; and the level of compensation. They added that there is no guarantee that someone from this group will be appointed; however, barring some unforeseen happening, they hope a person will be hired before the June meeting.

11. PUBLIC QUESTIONS AND COMMENTS

There were no public comments.

NEXT MEETING DATES:

June 1, 2004, 10 a.m. to 5 p.m., Sacramento, Regular Meeting
August 31, 2004, 10 a.m. to 5 p.m., Sacramento, Regular Meeting
December 7, 2004, 10 a.m. to 5 p.m., Sacramento, Regular Meeting
(Later changed to December 6, 2004, Sacramento)

The meeting was adjourned at 4:30 p.m.

ACTION ITEMS:

1. TEROC to send a letter to DOF requesting an exemption for DHS/TCS, to the contracting, purchasing, and hiring freeze that has apparently been implemented for all State programs.
2. TEROC to send a letter to CDC urging them to maintain and strengthen OSH, rather than implement re-organization options that would appear to eliminate that office or bundle its functions in with other health issues. OSH is the only federal office dedicated exclusively to tobacco control. The letter is also to be "cc'd" to Senators Boxer and Feinstein and Representative Waxman.
3. TEROC chair, or his representative, to meet with staff of the CDE Legislative Office regarding urgency of legislation to implement recommended changes to the TUPE Program before June 1, 2004, meeting.

ENCLOSURES:

1. Copy of the list of tobacco-related legislative bills
2. Copy of the TEROC document "Funding Criteria 2002"
3. Copy of the CDE slides concerning implementation of MP Objective Number Three

4. Copy of the TRDRP slides concerning implementation of MP Objective Number Three
5. Copy of the CDE handout "Cigarette Smoking, Perceived Harmfulness, and Exposure to Environmental Tobacco Smoke Among 7th, 9th, and 11th Graders in California"
6. Copy of the TCS information sheet "RFA 04-100 California Partnerships for Priority Population – April 6, 2004"